GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:891
ANSWERED ON:22.11.2002
MEASURES TAKEN FOR REALISATION OF TAXES
RAJO SINGH

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the attention of the government have been drawn towards the news item `Badhana the rajasv aur burh gaya Kharcha` published in the daily `Dainik Jagran`dated 21.8.2002 where in it has been stated that the department,in order to bring down the number of disputes pertaining to income tax and also to recover the tax, has appointed a number of officers, but inspite of recovering tax embroil in disputes,they have added additional burden of ten thousand rupees for the payment of salary;

(b) if so, the details thereof; and

(c) the steps taken/proposed to be taken by the Government in this context?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE & CONPANY AFFAIRS(SHRI GINGEE N. RAMACHANDRAN)

(a) Yes sir.

(b) The Restructuring of the Income Tax Department was done after a long time in F.Y 2001-02 and among other measures, the number of posts for Commissioners (Appeals) was increased with a view to expedite disposal of a large number of Appeals filed before Commissioners (Appeals). The Restructuring of the Department has not resulted in any additional expenditure on Salary and Allowances rather a saving of Rs. 3.05 crores is expected to be made on this account in the short-run. Despite increase in the number of posts at the Commissioner level, Restructuring has on the whole resulted in the down-sizing of the Department by 4.75% as a number of posts at the lower levels have been surrendered. The newspaper report is misleading as the amount of Demands in litigation at the end of July, 2002 was Rs. 41,296.63 crores and not Rs. 60,000 crores as reported in the news item. The Demands disputed before Commissioner

(Appeals) amounted to Rs. 34,796.93 crores on 1.4.2002, which has come down to Rs. 29,531.25 crores on 30.9.2002.

(c) There is no substantial issue raised in the newspaper report requiring specific action by the Government. The Tax Demands in Arrears are being liquidated by the Income Tax Department as per the Statutory Provisions and Administrative Instructions in this regard.